

CORRECTED FISCAL NOTE

SB 2961 – HB 3804

March 8, 2006

SUMMARY OF BILL: Sets a July 1, 2015 deadline to carry out the current intent of the General Assembly that all county seats be connected by a four-lane highway to the nearest interstate highway by the shortest route available over an existing state or federal highway.

ESTIMATED FISCAL IMPACT:

On February 27, 2006, we issued a fiscal note indicating an increase to state expenditures, from the Highway Fund, of \$100.0 million per year over a ten-year period. Based on new information provided by the Department of Transportation, the estimated fiscal impact of this bill is:

(CORRECTED)

Increase State Expenditures:

\$225,000,000 per year over ten years/Highway Fund

Assumptions:

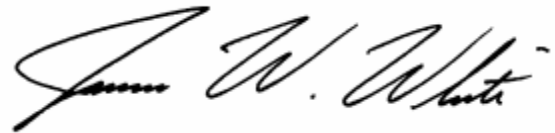
- The above project is currently stated as intent of the General Assembly in T.C.A. 54-5-102 (b).
- Through June 30, 2005, 54 county seats have four-lane access to the interstate system.
- According to TDOT, the estimated cost for connecting the remaining 41 county seats to an interstate is approximately \$4.5 billion.
- Average cost per year would be approximately \$450.0 million (\$4.5 billion ÷ 10 year limitation = \$450.0 million per year).
- TDOT estimates that construction representing approximately 50% of the remaining projects would be completed over the same time period without this legislation.

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- Therefore, the increase to state expenditures as a result of this bill is estimated to be \$225.0 million per year ($\$450.0 \text{ million} \times 50\% = \225.0 million) for each of the next ten years.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director